

MEETING MINUTES

September 11, 2007

The Health Benefits Committee met on Tuesday, September 11, 2007, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 10:09 a.m. with the following members present:

George Diehr, Chair
Priya Mathur, Vice Chair
Marjorie Berte (EXCUSED)
Terrence McGuire representing John Chiang
Rob Feckner (EXCUSED)
Debbie Endsley representing David Gilb
Steve Coony representing Bill Lockyer
Tony Oliveira
Charles Valdes (EXCUSED)

Other Board members present:

Robert Carlson Kurato Shimada Maeley Tom Michael Quevedo, Jr.

AGENDA ITEM 2 – APPROVAL OF THE AUGUST 14, 2007, HEALTH BENEFITS COMMITTEE MEETING MINUTES

The August 14, 2007, Health Benefits Committee meeting minutes were approved as presented.

AGENDA ITEM 3 – BOARD HEALTH CONSULTANT SERVICES REQUEST FOR PROPOSAL

Gregory A. Franklin, Assistant Executive Officer, Health Benefits Branch, presented staff's recommendations on the Board Health Consultant Services Request for Proposal. Mr. Franklin noted, since the time the agenda item was prepared, staff determined that the evaluation process should be changed so that the Board retains the flexibility to enter into contracts with the two highest ranking finalists and retain the discretion to select the highest ranking finalist as the primary consultant and the second highest ranking finalist as it's secondary or backup consultant.

On **MOTION** by Priya Mathur, **SECONDED** and **CARRIED**, the Committee recommended the Board approve staff's recommendation to approve: 1) the Schedule of Events for issuance of the Request for Proposal (RFP) for the Board of Administration (Board) Health Consultant; 2) the Board's participation in the evaluation process and interview evaluation method; and 3) an amendment to the Evaluation Process section of the RFP so that the Board retains the flexibility to enter into contracts with the two highest ranking finalists, and retains the discretion to select the highest ranking finalist as its primary consultant, and the second highest ranking finalist as its secondary or back-up consultant.

Neal Johnson, Service Employees' International Union, Local 1000, spoke on this item.

AGENDA ITEM 4 - SELECTION OF INTERIM BOARD HEALTH CONSULTANT

Gregory A. Franklin, Assistant Executive Officer, Health Benefits Branch, presented staff's recommendation for the Committee to interview Buck Consultants, LLC, Mercer Human Resource Consulting, Milliman Inc. and Watson Wyatt Worldwide for the selection of an Interim Board Health Consultant.

The interviews were conducted in alphabetical order: Buck Consultants, Mercer Health and Benefits, Milliman Inc. and Watson Wyatt Worldwide. Each Consultant made a fifteen-minute presentation to the Committee, followed by a twenty-five minute session to respond to questions posed by the Committee.

At this time, the Health Benefits Committee meeting recessed for lunch and reconvened at 1:35 p.m.

On **MOTION** by Debbie Endsley, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the selection of Watson Wyatt Worldwide from the Health Benefits Branch consultant pool as the Board's Interim Health Consultant subject to the negotiation of fiduciary language applicable to Watson Wyatt Worldwide that is acceptable to staff. In the event that staff, in its sole discretion, concludes that negotiations with Watson Wyatt Worldwide are unsuccessful, staff should begin negotiations with Buck Consultants, LLC to act as the Board's Interim Health Consultant subject to the negotiation of fiduciary language applicable to Buck Consultants, LLC that is acceptable to staff.

AGENDA ITEM 5 – PARTNERSHIP FOR CHANGE UPDATE

As an information item, Loren Suter, Senior Strategic Advisor, provided an update on the California Hospital Assessment and Reporting Task Force and the Hospital Value Initiative.

AGENDA ITEM 6 – YOUR HEALTH PLAN, YOUR DOCTORS, AND YOU: THE PRESCRIPTION FOR QUALITY HEALTH CARE

As an information item, Jan Sutton, Manager III and Mary Wieg, Nurse Consultant II, Office of Health Policy and Program Support, provided an overview of the revamped Quality Report, Your Health Plan, Your Doctors, and You: The Prescription for Quality Health Care.

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AGENDA ITEM 7 - ASSISTANT EXECUTIVE OFFICER REPORT

Gregory Franklin, Assistant Executive Officer, Health Benefits Branch, had no items to report.

AGENDA ITEM 8 – PROPOSED AGENDA FOR OCTOBER 16, 2007, HEALTH BENEFITS COMMITTEE MEETING

The proposed October 16, 2007, Health Benefits Committee Agenda was changed to reflect the start time of 9:30 a.m.

At this time, Greg Beatty represented David Gilb.

AGENDA ITEM 9 – PUBLIC COMMENT

Greg Stelzner, Vacaville Police Department, spoke on the withdrawal of Western Health Advantage as an HMO option for 2008.

Pejman Salimpour, M.D., Andrew Prediletto, Maricela Mauricio, and Norma Kurtz, Alvarado Hospital, spoke on various issues involving Alvarado Hospital and Blue Shield of California.

The meeting was adjourned at 2:40 p.m.

The next meeting of the Committee is scheduled for October 16, 2007, in Fresno, California, following adjournment of the Benefits and Program Administration Committee.

FRED BUENROSTRO	
Chief Executive Officer	